

# EUROPEAN PARLIAMENT

2004



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*Session document*

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**A6-0105/2006**

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## **REPORT**

on the discharge for the implementation of the budget of the European Food  
Safety Authority for the financial year 2004  
(N6-0014/2005 – C6-0171/2005 – 2005/2119(DEC))

Session document

Rapporteur: Umberto Guidoni

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## PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

### on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2004 (N6-0014/2005 – C6-0171/2005 – 2005/2119(DEC))

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2004, together with the Authority's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety<sup>4</sup>, and in particular Article 44 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0105/2006),
1. Grants discharge to the Executive Director of the European Food Safety Authority for the implementation of the Authority's budget for the financial year 2004;

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<sup>1</sup> OJ C 269, 28.10.2005, p. 21.

<sup>2</sup> OJ C 332, 28.12.2005, p. 45.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p.4).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

2. Sets out its comments in the resolution below;
3. Instructs its President to forward this decision and the resolution that forms an integral part of it to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors and to have them published in the Official Journal of the European Union (L series).

## PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Food Safety Authority for the financial year 2004 (N6-0014/2005 – C6-0171/2005 – 2005/2119(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2004<sup>1</sup>,
- having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2004, together with the Authority's replies<sup>2</sup>,
- having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
- having regard to the EC Treaty, and in particular Article 276 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>, and in particular Article 185 thereof,
- having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety<sup>4</sup>, and in particular Article 44 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Article 94 thereof,
- having regard to Rule 71 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0105/2006),

1. Notes the following figures for the accounts of the European Food Safety Authority for the financial years 2004 and 2003:

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<sup>1</sup> OJ C 269, 28.10.2005, p. 21.

<sup>2</sup> OJ C 332, 28.12.2005, p. 45.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p. 4).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

## Revenue and expenditure account for the financial years 2004 and 2003 (in EUR 1000)

	2004	2003 (1)
Operating revenue	20 591	10 171
<b>Total operating revenue</b>	<b>20 591</b>	<b>10 171</b>
Administrative expenditure		
Staff expenditure	-7 564	- 3 213
Buildings and related expenditure	-4 192	-781
Other expenditure	-1 263	-536
Depreciation and write-off	-3 33	-204
Operating expenditure	-6 431	-2 159
<b>Total operating expenditure</b>	<b>- 19 783</b>	<b>-6 894</b>
<b>Total operating profit/loss</b>	<b>808</b>	<b>3 277</b>
Revenue from financial operations	0	1
Expenditure from financial operations	-7	-3
<b>Profit/(loss) on financial operations</b>	<b>-6</b>	<b>-2</b>
<b>Current profit/(loss)</b>	<b>802</b>	<b>3 275</b>
Extraordinary revenue	-27	402
Extraordinary expenditure		
<b>Extraordinary profit/(loss)</b>	<b>-27</b>	<b>402</b>
<b>Economic outturn for the financial year</b>	<b>775</b>	<b>3 677</b>

(1) The data for the financial year 2003 have been restated to make them comply with the principle of accruals-based accounting. NB: Variations in totals are due to the effects of rounding.

2. Approves the closure of the accounts of the European Food Safety Authority for the financial year 2004;
3. Instructs its President to forward this decision to the Executive Director of the European Food Safety Authority, the Council, the Commission and the Court of Auditors and to have it published in the Official Journal of the European Union (L series).

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with comments forming an integral part of the decision on the discharge for the implementation of the budget of the European Food Safety Authority for the financial year 2004 (N6-0014/2005 – C6-0171/2005 – 2005/2119(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Food Safety Authority for the financial year 2004<sup>1</sup>,
  - having regard to the Court of Auditors' report on the annual accounts of the European Food Safety Authority for the financial year 2004, together with the Authority's replies<sup>2</sup>,
  - having regard to the Council's recommendation of 14 March 2006 (5972/2006 - C6-0093/2006),
  - having regard to the EC Treaty, and in particular Article 276 thereof,
  - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>, and in particular Article 185 thereof,
  - having regard to Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety<sup>4</sup>, and in particular Article 44 thereof,
  - having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>, and in particular Article 94 thereof,
  - having regard to Rule 71 of and Annex V to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on the Environment, Public Health and Food Safety (A6-0105/2006),
- A. whereas the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts for the financial year ended 31 December 2004 were reliable and that, except for irregularities in staff recruitment and contract awards, the underlying

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<sup>1</sup> OJ C 269, 28.10.2005, p. 21.

<sup>2</sup> OJ C 332, 28.12.2005, p. 45.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ L 31, 1.2.2002, p. 1. Regulation as amended by Regulation (EC) No 1642/2003 (OJ L 245, 29.9.2003, p. 4).

<sup>5</sup> OJ L 357, 31.12.2002, p. 72. Regulation as amended by Regulation (EC, Euratom) No 1261/2005 (OJ L 201, 2.8.2005, p. 3).

transactions, taken as a whole, were legal and regular,

- B. whereas the Court of Auditors states that it has obtained reasonable assurance from all the agencies, excepting the express reservations in respect of the 2004 financial year concerning the European Agency for Reconstruction, the European Centre for the Development of Vocational Training, the European Training Foundation, the European Monitoring Centre on Racism and Xenophobia and the European Food Safety Authority,
1. Recalls that according to Article 185 of the Financial Regulation, Parliament gives discharge for the implementation of the budgets of the bodies set up by the Communities and having legal personality which actually receive grants charged to the budget; points out, however, that not all of these bodies are fully, or even partially, funded via grants charged to the budget; emphasises that the discharge decision therefore covers both the budget and the non-budget funding of these bodies; considers it unacceptable that some of the bodies set up by the Union are accountable for the expenditure of income received from sources other than the budget whilst others, which do not receive a subsidy from the budget, are not; affirms the principle according to which all Community agencies, whether or not they are subsidised, are subject to discharge by Parliament, even when another discharge authority intervenes in accordance with their basic texts; takes the view that there is a need to review all texts that go against this principle;
  2. Finds table 1 of the Court of Auditors' report, introduced for the first time during the 2003 discharge exercise, which summarises the Authority's powers and responsibilities, governance, resources, activities and services provided, of great value; notes that the information contained in table 1 is supplied by the Authority; asks the Court of Auditors to verify the contents of table 1;
  3. Insists that as well as spending money properly, agencies should also strive to spend money as efficiently and effectively as possible; invites the Court of Auditors to consider the possibility of extending its specific annual reports on the agencies to include an examination of performance and achievement of objectives; in this context and in line with its resolutions on the 2003 discharge, insists that the following aspects be taken into account: duplication of work among the agencies must be avoided as much as possible, and measures designed to improve transparency and communication with the public must be clarified, along with Community affirmative action measures at all levels of recruitment, training and the assignment of responsibilities;
  4. Notes that Community agencies do not always have a good image or good press and that many of them do not deserve such a negative image; points out that EU citizens should be made aware of this, with appropriate means being used to explain as often as is necessary the *raison d'être* and achievements of the agencies; calls on the Commission to act accordingly, using whatever means it considers necessary;
  5. Notes that the enlargement of the European Union in 2004 has affected the structures and operating arrangements of the Community agencies in many ways, and that several of the agencies draw attention to these effects in their activity reports, focusing in particular on the increase in the number of administrators; calls on the Commission to assess the real or supposed problems encountered and to recommend the regulatory changes required;



6. Notes that the Commission has made a commitment to harmonising the way in which activity reports concerning its directorates-general are presented; calls for a similar approach to be taken in respect of the activity reports of the Community's agencies, which differ significantly in terms of content; calls on the Commission to point out to the Community's agencies the information and activity indicators that they must provide;
7. Notes the Court of Auditors' comments on the anomalies regarding the declarations of the authorising officers on which carry-overs of appropriations are partly based; welcomes the Authority's assurance that the system designed to inform the accounting officer of expenditure will be more accurate and reliable;
8. Is disappointed to note that the Court of Auditors has again discovered anomalies in the application of the rules concerning staff recruitment; urges the Authority to apply with more transparency the rules regarding selection procedures; is pleased to note the Authority's assurance that selection procedures and recruitment decisions have been strengthened in order to improve transparency; urges the Authority to keep up its efforts to improve the regularity of staff recruitment procedures;
9. Is concerned by the irregularities noted by the Court of Auditors in contract award procedures; welcomes the measures undertaken by the Authority with the aim of avoiding such problems in the future; urges the Authority to improve by any means necessary the transparency of its decisions on the award of contracts in order to avoid any suspicion of bias and to improve transparency, as stressed by the Court of Auditors;
10. Notes that 2004 was the second operating year for the Authority; recalls that, due to the delayed decision by the Council on its permanent seat, the Authority continued operating in transitional circumstances;
11. Notes that the Authority was not able to complete its establishment plan largely due to the announced removal to Parma in 2005; considers it, therefore, understandable that with fewer staff it was not possible to fully implement all actions in the operating budget;
12. Expresses its satisfaction with the full implementation of the commitment appropriations for both the operating and administrative budget;
13. Insists that the Authority act in compliance with Article 14(4) of Regulation (EC) No 178/2002, especially regarding the probable short and long-term effects on the health of consumers of new foods such as GMOs;
14. Calls on the Commission to help the agencies follow as closely as possible the work plan agreed for the year ahead, allowing activities to be properly planned and implemented, and particularly to avoid major, last-minute changes to the work load;
15. Asks the Commission to improve synergies between agencies by making cooperation more effective, avoiding duplication of work and addressing shortcomings, in particular as regards common areas such as training, the implementation of Community policies across the board, the use of the latest management systems and solving problems relating to sound management of the budget.

## **OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY**

for the Committee on Budgetary Control

on the discharge for implementation of the budget of the European Food Safety Authority for the financial year 2004

(N6-0014/2005 - C6-0171/2005 - 2005/2119(DEC))

Draftswoman: Jutta D. Haug

### **SUGGESTIONS**

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that 2004 was the second operating year for the European Food Safety Authority (EFSA); recalls that, due to the delayed decision by the Council on its permanent seat, the Authority continued operating in transitional circumstances;
2. Notes that EFSA was not able to complete its establishment plan largely due to the announced removal to Parma in 2005; considers it, therefore, understandable that with fewer staff it was not possible to fully implement all actions in the operating budget;
3. Expresses its satisfaction with the full implementation of the commitment appropriations for both the operating and administrative budget;
4. On the basis of the data available, is of the opinion that the Executive Director of the European Food Safety Authority can be granted discharge in respect of the implementation of the budget of the EFSA for the financial year 2004.

*ANNEX*

(Mio EUR)

<b>Budget Line</b>	<b>Heading</b>	<b><u>Total commitment appropriations</u> (initial 2004 budget, supplementary and amendment budgets and transfers, additional appropriations, incl. carry-overs from 2003, reuse of revenue etc.)</b>	<b>Committed</b>	<b>%</b>	<b><u>Total payment appropriations</u> (initial 2004 budget, supplementary and amendment budgets and transfers, additional appropriations, incl. carry-overs from 2003, reuse of revenue etc.)</b>	<b>Outturn</b>	<b>%</b>
<b>17 04 08 01</b>	EFSA - Subsidy under titles 1 and 2	17.144	17.142	100	17.144	14.603	85.2
<b>17 04 08 02</b>	EFSA - Subsidy under title 3	11.950	11.950	100	10.755	7.963	74.0

## PROCEDURE

<b>Title</b>	The discharge for implementation of the budget of the European Food Safety Authority for the financial year 2004
<b>Procedure number</b>	2005/2119(DEC)
<b>Committee responsible</b>	CONT
<b>Opinion by</b> Date announced in plenary	ENVI 19.1.2006
<b>Draftswoman</b> Date appointed	Jutta D. Haug (PSE) 21.7.2005
<b>Previous draftswoman</b>	
<b>Discussed in committee</b>	24.1.2006
<b>Date adopted</b>	22.2.2006
<b>Result of final vote</b>	+: 46 -: 0 0: 0
<b>Members present for the final vote</b>	Adamos Adamou, Georgs Andrejevs, Liam Aylward, Johannes Blokland, John Bowis, Frederika Brepoels, Hiltrud Breyer, Dorette Corbey, Bairbre de Brún, Avril Doyle, Jillian Evans, Anne Ferreira, Karl-Heinz Florenz, Milan Gaľa, Matthias Groote, Françoise Grossetête, Satu Hassi, Gyula Hegyi, Marie Anne Isler Béguin, Caroline Jackson, Christa Klaß, Eija-Riitta Korhola, Holger Krahmer, Urszula Krupa, Marie-Noëlle Lienemann, Marios Matsakis, Péter Olajos, Miroslav Ouzký, Vittorio Prodi, Karin Scheele, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Jonas Sjöstedt, María Sornosa Martínez, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Anja Weisgerber, Åsa Westlund, Anders Wijkman
<b>Substitute(s) present for the final vote</b>	María del Pilar Ayuso González, Christofer Fjellner, Jutta D. Haug, Erna Hennicot-Schoepges, Jiří Maštálka, Miroslav Mikolášik
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Miguel Angel Martínez Martínez
<b>Comments (available in one language only)</b>	

## PROCEDURE

<b>Title</b>	Discharge for 2004 – European Food Safety Authority		
<b>References</b>	(N6-0014/2005 – C6-0171/2005 – 2005/2119(DEC))		
<b>Legal basis</b>	Article 276 EC		
<b>Basis in Rules of Procedure</b>	Rule 71 and Annex V		
<b>OJ publication of the agency's final annual accounts</b>	OJ C 269, 28.10.2005		
<b>OJ publication of the Court of Auditors' annual report</b>	OJ C 332, 28.12.2005		
<b>Council recommendation</b> Date forwarded	5972/2006 - C6-0093/2006 14.3.2006		
<b>Committee responsible</b> Date of referral	CONT 19.1.2006		
<b>Committees asked for opinions</b> Date of referral	ENVI 19.1.2006		
<b>Rapporteur(s)</b> Date appointed	Umberto Guidoni 20.4.2005		
<b>Discussed in committee</b>	22.2.2006	21.3.2006	
<b>Date adopted</b>	21.3.2006		
<b>Result of vote:</b>			
<b>Proposal for decision on discharge</b>	for: 17	against: 1	abstentions: 0
<b>Proposal for a decision on the closure of the accounts</b>	for: 17	against: 1	abstentions: 0
<b>Motion for a resolution with comments</b>	for: 18	against: 1	abstentions: 0
<b>Members present for the final vote</b>	Herbert Bösch, Simon Busuttil, Paulo Casaca, Petr Duchoň, James Elles, Szabolcs Fazakas, Markus Ferber, Christofer Fjellner, Ingeborg Gräßle, Umberto Guidoni, Dan Jørgensen, Ona Juknevičienė, Hans-Peter Martin, Edith Mastenbroek, Bart Staes, Margarita Starkevičiūtė, Kyösti Virrankoski, Terence Wynn		
<b>Substitutes present for the final vote</b>	Ashley Mote, Paul Rübig		
<b>Substitutes under Rule 178(2) present for the final vote</b>			
<b>Date tabled</b>	27.3.2006		
<b>Comments (available in one language only)</b>			